



## DEPARTMENT OF HOMELAND SECURITY

### Federal Emergency Management Agency

#### 44 CFR Part 62

[Docket ID FEMA-2021-0030]

RIN 1660-AB13

### National Flood Insurance Program: Removal of Best's Financial Size Category from Write-Your-Own Participation Criteria

**AGENCY:** Federal Emergency Management Agency, Department of Homeland Security (DHS).

**ACTION:** Final rule.

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**SUMMARY:** The Federal Emergency Management Agency (FEMA) is revising its regulations to remove a requirement that a private insurance company applying to participate in the Write-Your-Own program furnish its Best's Financial Size Category for the purpose of setting marketing goals.

**DATES:** This rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** The docket for this rulemaking is available for inspection using the Federal eRulemaking Portal at <https://www.regulations.gov> and can be viewed by following that website's instructions.

**FOR FURTHER INFORMATION CONTACT:** Sarah Ice, Federal Insurance and Mitigation Administration, FEMA, 400 C St. SW, Washington, D.C. 20472, (202) 320-5577, [sarah.devaney-ice@fema.dhs.gov](mailto:sarah.devaney-ice@fema.dhs.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Background and Discussion of the Rule

The National Flood Insurance Act of 1968 (NFIA), as amended (42 U.S.C. 4001 *et seq.*), authorizes the Administrator of the Federal Emergency Management Agency (FEMA) to establish and carry out the National Flood Insurance Program (NFIP) to enable interested persons to purchase insurance against loss resulting from physical damage to, or loss of, real or personal property arising from flood in the United States. *See* 42 U.S.C. 4011(a). Congress intended the NFIP to be “a program of flood insurance with large-scale participation of the Federal Government and carried out to the maximum extent practicable by the private insurance industry.” *See* 42 U.S.C. 4001(b). Under the NFIA, FEMA may carry out the NFIP through the facilities of the Federal Government, using for the purposes of providing flood insurance coverage, insurance companies and other insurers, insurance agents and brokers, and insurance adjustment organizations, as fiscal agents of the United States. *See* 42 U.S.C. 4071.

Pursuant to this authority, FEMA works closely with the insurance industry to facilitate the sale and servicing of flood insurance policies. A person can purchase an NFIP flood insurance policy, also known as the Standard Flood Insurance Policy (SFIP), either: (1) Directly from the Federal Government through a direct servicing agent, or (2) from a private insurance company (referred to as a Write Your Own (WYO) company) through the WYO Program. The SFIP sets out the terms and conditions of insurance. FEMA establishes terms of insurance and rates, which are the same whether purchased directly from the NFIP or through the WYO Program.

FEMA enters into a standard Financial Assistance/Subsidy Arrangement (Arrangement) with the WYO companies, which addresses the terms and conditions for administering the NFIP policies, including compensation. FEMA publishes the annual Arrangement in the Federal Register. *See* 44 CFR 62.23(a). FEMA published the Fiscal Year 2021 Arrangement in March 2020, which became effective October 1, 2020. 85 FR 17339 (Mar. 27, 2020).

FEMA regulations at 44 CFR part 62, the “Sale of Insurance and Adjustment of Claims,” set forth the manner in which NFIP flood insurance is made available to the public in participating communities, prescribes the general method by which FEMA exercises its responsibility regarding the manner in which claims for losses are paid, and states reasons for which a policy may be nullified or cancelled and the associated refunds. Section 62.24, “WYO participation criteria,” establishes the criteria with which private insurance companies wishing to enter or reenter the WYO Program must comply. Section 62.24(d) outlines requirements that private companies must follow to demonstrate their plans to market flood insurance policies.

As part of § 62.24(d) FEMA requires WYO companies to submit a marketing plan to ensure each company is taking reasonable steps to market flood insurance to the public. As a result, FEMA has set a goal for each WYO company to provide positive net new growth of NFIP flood policies, and encourages these companies by providing growth incentives. *See Fiscal Year 2021 Arrangement, IV.B.3.* FEMA’s intent behind the policy growth incentive is to motivate WYO companies to help FEMA in closing the insurance gap and to reach FEMA’s goal of doubling the number of properties covered against flood by 2022.<sup>1</sup> Through the policy growth incentives, FEMA provides to WYO companies a flat dollar amount for each new policy they write. The actual incentive amount varies by the extent of net policy growth a WYO company achieves (i.e. a larger net growth will lead to a larger incentive). FEMA limits the total policy growth incentives paid to all WYO companies to two percent of aggregate written premium for all companies. *Id.* To qualify for the incentive, a WYO company must have an overall

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<sup>1</sup> In 2017, the Federal Insurance and Mitigation Administration set two ambitious goals: (1) to quadruple the investment in mitigation across the nation by 2022, and (2) to double the number of insurance policies across the nation by 2022. These goals have become the basis for FEMA’s Strategic Objective 1.1: Incentivize investments that reduce risk, including pre-disaster mitigation, and reduce disaster costs at all levels; and Objective 1.2: Close the insurance gap. For more information, please see FEMA’s Strategic Plan 2018-2022 at [https://www.fema.gov/sites/default/files/2020-03/fema-strategic-plan\\_2018-2022.pdf](https://www.fema.gov/sites/default/files/2020-03/fema-strategic-plan_2018-2022.pdf). Accessed Sept. 16, 2021.

net policy growth of at least one policy, and the new policies it writes must be new to the NFIP, not a renewal previously written by another WYO company. FEMA pays the incentive to qualifying WYO companies at the end of each Arrangement year. *Id.*

The last sentence of § 62.24(d) states, “A private insurance company applying for participation in the WYO program shall also furnish its Best’s Financial Size Category for the purpose of setting marketing goals.” Best’s, also known as “AM Best,” is a credit rating agency. AM Best rating services assess the creditworthiness of and/or reports on over 16,000 insurance companies worldwide.<sup>2</sup> Currently, FEMA does not require companies to provide their specific financial size category along with their marketing plan. This is because FEMA does not consider the size of an insurance carrier when formulating marketing strategies. Section 62.24(d) relates solely to information needed for marketing, not information relating to assessing a company’s financial strength. If FEMA wanted to assess a carrier’s size, it could do so without requiring information from AM Best. Carriers of all sizes use a rating agency, whether AM Best or a competitor, to comply with their state Department of Insurance, so FEMA could ask for that information if it wanted. In addition, most large carriers, which comprise the majority of WYO carriers, already have an AM Best rating and could make that information available. Moreover, in lieu of rating agency information, FEMA could also use the number of policies in force to assess carrier size. However, because the AM Best requirement in § 62.24(d) relates only to information needed to set marketing goals, and because FEMA neither requires nor uses this information for marketing, FEMA is removing from its regulations this requirement upon the public.

## **II. Regulatory Analysis**

### **A. Administrative Procedure Act**

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<sup>2</sup> See <https://www.ambest.com/home/default.aspx>. Accessed June 24, 2021.

The Administrative Procedure Act (APA) generally requires agencies to publish a notice of proposed rulemaking in the Federal Register and provide interested persons the opportunity to submit comments. *See* 5 U.S.C. 553(b) and (c). The APA provides an exception to this prior notice and comment requirement for rules of agency organization, procedure, or practice. 5 U.S.C. 553(b)(3)(A). This final rule is a procedural rule promulgated for agency efficiency purposes. This action is limited to updating FEMA's regulations to remove a requirement upon WYO applicants to furnish a particular piece of information regarding their financial size for the purpose of setting marketing goals that FEMA does not actually need from them or use in practice. As such, this rule simply updates FEMA's regulations to align with current Agency practice. This rule does not affect the substantive rights or interests of WYO applicants. The AM Best requirement in the last sentence of § 62.24(d) was only related to the determination of marketing strategies; FEMA has never considered information from AM Best in determining eligibility to participate in the WYO Program.

Further, the APA generally requires that substantive rules incorporate a 30-day delayed effective date. 5 U.S.C. 553(d). However, the APA provides an exception to the 30-day delayed effective date for rules which grant or recognize an exemption or relieve a restriction. 5 U.S.C. 553(d)(1). This rule relieves a restriction rendering private insurance companies ineligible to participate in the WYO Program unless they furnish information on their financial size. As mentioned above, FEMA does not require this information in practice to determine eligibility to participate, and is therefore updating its regulations to remove this unnecessary restriction upon the public.

**B. Executive Orders 12866, “Regulatory Planning and Review” and 13563, “Improving Regulation and Regulatory Review”**

Executive Orders 12866 (“Regulatory Planning and Review”) and 13563 (“Improving Regulation and Regulatory Review”) direct agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select

regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility.

The Office of Management and Budget (OMB) has not designated this rule a “significant regulatory action” under section 3(f) of Executive Order 12866.

Accordingly, the rule has not been reviewed by OMB. The following paragraphs explain the need for the updated regulation, the affected population, and the benefits.

#### *Need for Updated Regulation*

Current regulations require private insurance companies applying to participate in the WYO program to furnish their Best’s Financial Size Category for the purpose of setting marketing goals. However, this is no longer a FEMA practice as FEMA does not set marketing goals for participating WYO companies. Instead, FEMA utilizes the policy growth incentives to motivate companies to utilize their resources in the marketing and sales of new NFIP policies. The purpose and goals of the policy growth incentives is to (1) increase the number of customers with flood insurance policies; (2) increase the financial stability of the program by distributing the policy base and increasing focus on lower risk policies; and (3) to act as a reinvestment to advance future growth activities.

The policy growth incentives provide a flat dollar amount for each new policy a WYO company writes. To qualify for the policy growth incentives, the company must have an overall net growth and the new policies must be new to the NFIP and not a renewal previously written by another WYO Company. The total policy growth incentives paid to WYO companies will not exceed two percent of the aggregate net written premium collected by all WYO companies. FEMA will pay those WYO companies, who qualify for an incentive, at the end of the Arrangement year.

FEMA is issuing this final rule to remove a requirement that a private insurance company applying to participate in the WYO program furnish its Best's Financial Size Category for the purpose of setting marketing goals.

#### *Affected Population*

This rule affects private companies participating in and applying for participation in the WYO Program. Currently there are 12 of the 56 WYO companies who are either "Not Rated" or have never been rated by AM Best and do not utilize their service. This rule removes the requirement to provide information that FEMA no longer enforces or uses in implementing the NFIP. Although FEMA is no longer enforcing this requirement, 44 WYO companies continue to use AM Best services. FEMA will no longer require an AM Best rating because FEMA, to the extent necessary, can accurately assess the size of a carrier for marketing purposes without the rating. Nevertheless, size is not a consideration FEMA uses when formulating marketing strategies. FEMA assumes most of the larger carriers would continue to use AM Best for other purposes, so FEMA will still be able to review the rating. Accordingly, FEMA believes this change may have little to no effect on these companies' choice to use a rating service.

#### *Baseline*

FEMA is issuing this rule to align regulations with current FEMA practice. Accordingly, FEMA is using a no-action baseline to show the effects of this rule compared to current regulations and practice.

#### *Costs*

FEMA expects the only costs from this rule to be the opportunity cost of time for WYO companies to familiarize themselves with this final rule. Currently, 56 private companies participate in the WYO program. FEMA assumes that each company will

have two Management Analysts<sup>3</sup> spending two hours to read and understand this rule.

Using the hourly mean wage rate of \$42.62 per hour with a 1.45 wage multiplier<sup>4</sup> results in a total cost of \$123.60 ( $\$42.62 \times 2 \text{ hours} \times 1.45$ ) per company. Based on a total of 44 companies, the total cost of this rule is estimated to be \$5,438 in the first year.

### *Distributional Effects*

This rule may result in distributional impacts to insurance rating companies by removing a requirement that FEMA does not impose in implementing the NFIP. This will simplify the Code of Federal Regulations and reduce confusion, and further align the regulations with FEMA's current exercise of its authority.

Rating services are an important part of large insurance carriers' business and FEMA believes their use of AM Best is not predicated on the requirement in 44 CFR 62.24(d) for a size rating. Rather, large insurance carriers use the rating to not only market their company to policyholders but also to potential investors. It can also be required for State regulatory purposes. In most instances they choose to use multiple rating services. Moreover, the "size" category is not the only service provided by the rating agencies as it is a small part of a larger service. As such, FEMA does not believe this change will affect large WYO companies' use of AM Best. It is possible that small WYO companies who have continued to use AM Best may choose to use the services of a competitor. However, FEMA expects that these companies will continue to use the services of a rating company as they have continued to pay for AM Best services despite FEMA no longer enforcing a requirement to do so. Accordingly, this rule may result in distributional impacts as some WYOs may switch from AM Best to a different rating

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<sup>3</sup> U.S. Department of Labor, Bureau of Labor Statistics, May 2020 National Industry-Specific Occupational Employment and Wage Estimates, NAICS 524120 – Direct Insurance (except Life, Health, and Medical) Carriers. Available online at: [https://www.bls.gov/oes/2020/may/naics5\\_524120.htm](https://www.bls.gov/oes/2020/may/naics5_524120.htm) (mean wage rate for Management Analysts, SOC: 13-1111, NAICS 524120). Accessed June 8, 2021.

<sup>4</sup> Bureau of Labor Statistics, the wage multiplier is calculated by dividing total compensation for all workers of \$38.60 by wages and salaries for all workers of \$26.53 per hour yielding a benefits multiplier of approximately 1.45. Available at [https://www.bls.gov/news.release/archives/ecec\\_03182021.htm](https://www.bls.gov/news.release/archives/ecec_03182021.htm). Accessed June 8, 2021.

company or use no rating company at all. There are no impacts to the Federal government associated with this rule.

### *Conclusion*

FEMA estimates this final rule will result in total costs to WYO companies of \$5,438 in the first year. There are no impacts to the Federal government associated with this rule. FEMA believes this change may have little to no effect on companies' choice to use a rating service, but the rule may result in distributional impacts as some WYOs may switch from AM Best to a different rating company.

### **C. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA) (5 U.S.C. 601-612), and section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. 104-121, 110 Stat. 847, 858 – 9 (Mar. 29, 1996) (5 U.S.C. 601 note) require that special consideration be given to the effects of regulations on small entities. The RFA applies only when an agency is “required by section 553...to publish general notice of proposed rulemaking for any proposed rule.” 5 U.S.C. 603(a). An RFA analysis is not required for this rulemaking because FEMA is not required to publish a notice of proposed rulemaking.

### **D. Unfunded Mandates Reform Act of 1995**

The Unfunded Mandates Reform Act of 1995, 2 U.S.C. 658, 1501-1504, 1531-1536, 1571, pertains to any rulemaking which is likely to result in the promulgation of any rule that includes a Federal mandate that may result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of \$100 million (adjusted annually for inflation) or more in any one year. If the rulemaking includes a Federal mandate, the Act requires an agency to prepare an assessment of the anticipated costs and benefits of the Federal mandate. The Act also pertains to any regulatory requirements that might significantly or uniquely affect small governments. Before

establishing any such requirements, an agency must develop a plan allowing for input from the affected governments regarding the requirements.

FEMA has determined that this rulemaking will not result in the expenditure by State, local, and Tribal governments, in the aggregate, nor by the private sector, of \$100,000,000 or more in any one year as a result of a Federal mandate, and it will not significantly or uniquely affect small governments. Therefore, no actions are deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

#### **E. Paperwork Reduction Act of 1995**

As required by the Paperwork Reduction Act of 1995 (PRA), Pub. L. 104-13, 109 Stat. 163, (May 22, 1995) (44 U.S.C. 3501 *et seq.*), FEMA may not conduct or sponsor, and a person is not required to respond to, a collection of information unless FEMA obtains approval from the Office of Management and Budget (OMB) for the collection and the collection displays a valid OMB control number. FEMA has determined that this rulemaking does not contain any collections of information as defined by that Act.

#### **F. Privacy Act/E-Government Act**

Under the Privacy Act of 1974, 5 U.S.C. 552a, an agency must determine whether implementation of a proposed regulation will result in a system of records. A “record” is any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his/her education, financial transactions, medical history, and criminal or employment history and that contains his/her name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph. *See* 5 U.S.C. 552a(a)(4). A “system of records” is a group of records under the control of an agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual. An agency cannot disclose any record which is contained in a system of records except by following specific procedures.

The E-Government Act of 2002, 44 U.S.C. 3501 note, also requires specific procedures when an agency takes action to develop or procure information technology that collects, maintains, or disseminates information that is in an identifiable form. This Act also applies when an agency initiates a new collection of information that will be collected, maintained, or disseminated using information technology if it includes any information in an identifiable form permitting the physical or online contacting of a specific individual.

The system of record for the NFIP, DHS/FEMA-003 – National Flood Insurance Program Files, was published in the *Federal Register* on May 19, 2014 (79 FR 28747). This rule does not impact this existing system of record, nor does it create a new system of record. Therefore, this rule does not require coverage under an existing or new Privacy Impact Assessment or System of Records Notice.

**G. Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments”**

Executive Order 13175, “Consultation and Coordination with Indian Tribal Governments,” 65 FR 67249 (Nov. 9, 2000), applies to agency regulations that have Tribal implications, that is, regulations that have substantial direct effects on one or more Indian Tribes, on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. Under this Executive order, to the extent practicable and permitted by law, no agency shall promulgate any regulation that has Tribal implications, that imposes substantial direct compliance costs on Indian Tribal governments, and that is not required by statute, unless funds necessary to pay the direct costs incurred by the Indian Tribal government or the Tribe in complying with the regulation are provided by the Federal Government, or the agency consults with Tribal officials.

FEMA has reviewed this final rule under Executive Order 13175 and has determined that it does not have a substantial direct effect on one or more Indian tribes,

on the relationship between the Federal Government and Indian Tribes, or on the distribution of power and responsibilities between the Federal Government and Indian Tribes. This rule relieves a requirement on private insurance companies to furnish information on their financial size to participate in the WYO program. The removal of this requirement will not affect the substantive rights or interests of Indian Tribal governments.

#### **H. Executive Order 13132, “Federalism”**

Executive Order 13132, “Federalism,” 64 FR 43255 (Aug. 10, 1999), sets forth principles and criteria that agencies must adhere to in formulating and implementing policies that have federalism implications, that is, regulations that have substantial direct effects on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government. Federal agencies must closely examine the statutory authority supporting any action that would limit the policymaking discretion of the States, and to the extent practicable, must consult with State and local officials before implementing any such action.

FEMA has determined that this rulemaking does not have a substantial direct effect on the States, on the relationship between the National Government and the States, or on the distribution of power and responsibilities among the various levels of government, and therefore does not have federalism implications as defined by the Executive Order.

#### **I. Executive Order 11988, “Floodplain Management”**

Pursuant to Executive Order 11988, “Floodplain Management,” 42 FR 26951 (May 24, 1977), each agency must provide leadership and take action to reduce the risk of flood loss, to minimize the impact of floods on human safety, health and welfare, and to restore and preserve the natural and beneficial values served by floodplains in carrying

out its responsibilities for (1) acquiring, managing, and disposing of Federal lands and facilities; (2) providing Federally undertaken, financed, or assisted construction and improvements; and (3) conducting Federal activities and programs affecting land use, including but not limited to water and related land resources planning, regulating, and licensing activities. In carrying out these responsibilities, each agency must evaluate the potential effects of any actions it may take in a floodplain; ensure that its planning programs and budget requests reflect consideration of flood hazards and floodplain management; and prescribe procedures to implement the policies and requirements of the Executive order.

Before promulgating any regulation, an agency must determine whether the proposed regulations will affect a floodplain(s), and if so, the agency must consider alternatives to avoid adverse effects and incompatible development in the floodplain(s). If the head of the agency finds that the only practicable alternative consistent with the law and with the policy set forth in Executive Order 11988 is to promulgate a regulation that affects a floodplain(s), the agency must, prior to promulgating the regulation, design or modify the regulation to minimize potential harm to or within the floodplain, consistent with the agency's floodplain management regulations. It must also prepare and circulate a notice containing an explanation of why the action is proposed to be located in the floodplain.

The purpose of this rule is to remove a requirement on private insurance companies to furnish information on their financial size to participate in the WYO program. In accordance with 44 CFR part 9, "Floodplain Management and Protection of Wetlands," FEMA determines that the changes proposed in this rule would not have an effect on floodplains.

#### **J. Executive Order 11990, "Protection of Wetlands"**

Executive Order 11990, "Protection of Wetlands," 42 FR 26961 (May 24, 1977)

sets forth that each agency must provide leadership and take action to minimize the destruction, loss or degradation of wetlands, and to preserve and enhance the natural and beneficial values of wetlands in carrying out the agency's responsibilities. These responsibilities include (1) acquiring, managing, and disposing of Federal lands and facilities; and (2) providing federally undertaken, financed, or assisted construction and improvements; and (3) conducting Federal activities and programs affecting land use, including but not limited to water and related land resources planning, regulating, and licensing activities. Each agency, to the extent permitted by law, must avoid undertaking or providing assistance for new construction located in wetlands unless the head of the agency finds (1) that there is no practicable alternative to such construction, and (2) that the proposed action includes all practicable measures to minimize harm to wetlands which may result from such use. In making this finding, the head of the agency may take into account economic, environmental and other pertinent factors.

In carrying out the activities described in Executive Order 11990, each agency must consider factors relevant to a proposal's effect on the survival and quality of the wetlands. These include public health, safety, and welfare, including water supply, quality, recharge and discharge; pollution; flood and storm hazards; sediment and erosion; maintenance of natural systems, including conservation and long term productivity of existing flora and fauna, species and habitat diversity and stability, hydrologic utility, fish, wildlife, timber, and food and fiber resources. They also include other uses of wetlands in the public interest, including recreational, scientific, and cultural uses. The purpose of this rule is to remove a requirement on private insurance companies to furnish information on their financial size to participate in the WYO program. In accordance with 44 CFR part 9, "Floodplain Management and Protection of

Wetlands,” FEMA determines that the changes in this rule would not have an effect on wetlands.

#### **K. National Environmental Policy Act of 1969 (NEPA)**

Under the National Environmental Policy Act of 1969 (NEPA), as amended, 42 U.S.C. 4321 *et seq.*, an agency must consider impacts of its actions on the environment and prepare an environmental assessment or environmental impact statement for any rulemaking that has potential to significantly affect the quality of the human environment. A categorical exclusion (CATEX) is a form of NEPA compliance that applies to actions that do not need to undergo detailed environmental analysis because it has been determined through experience that they typically do not have a significant impact on the human environment. An agency may apply a CATEX if the project fits within the identified criteria of the CATEX.

Rulemaking is a major Federal action subject to NEPA. CATEX M1(d) included in the list of categorical exclusions found in the Department of Homeland Security Instruction Manual 023–01–001–01, Revision 01, Implementation of the National Environmental Policy Act, Appendix A, issued November 6, 2014, covers activities in support of FEMA’s administration of the National Flood Insurance Program, including revisions WYO participation criteria. This rule for the NFIP meets CATEX M1(d) and does not require further analysis under NEPA.

#### **L. Congressional Review of Agency Rulemaking**

Under the Congressional Review of Agency Rulemaking Act (CRA), 5 U.S.C. 801-808, before a rule can take effect, the Federal agency promulgating the rule must submit to Congress and to the Government Accountability Office (GAO) a copy of the rule; a concise general statement relating to the rule, including whether it is a major rule; the proposed effective date of the rule; a copy of any cost-benefit analysis; descriptions of the agency’s actions under the Regulatory Flexibility Act and the Unfunded Mandates

Reform Act; and any other information or statements required by relevant executive orders.

FEMA has sent this final rule to the Congress and to GAO pursuant to the CRA. The rule is not a “major rule” within the meaning of the CRA. It will not have an annual effect on the economy of \$100,000,000 or more; it will not result in a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; and it will not have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets.

#### **List of Subjects in 44 CFR Part 62**

Claims, Flood insurance, Reporting and recordkeeping requirements.

For the reasons set forth in the preamble, the Federal Emergency Management Agency amends 44 CFR part 62 as follows:

#### **PART 62—SALE OF INSURANCE AND ADJUSTMENT OF CLAIMS**

1. The authority citation for part 62 continues to read as follows:

**Authority:** 42 U.S.C. 4001 *et seq.*; 6 U.S.C. 101 *et seq.*

#### **Subpart C—Write-Your-Own (WYO) Companies**

##### **§ 62.24 [Amended]**

2. In § 62.24, amend paragraph (d) by removing the last sentence.

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**Deanne Criswell,**

*Administrator,*

*Federal Emergency Management Agency.*